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### **Remarks**

#### ***I. Confirmation of Election***

The applicant confirms his election, without traverse, of Group I Species I (e.g. claims 1, 3-4, 8-11, 13-14, 16-17, 19, 20-21, 23, and 27). The unelected claims (e.g. claims 2, 5-7, 12, 15, 18, 22, 24-26, and 28-34) have been canceled.

#### ***II. REJECTION OF CLAIMS UNDER 35 USC 103.***

Claims 1, 3-4, 8-11, 13-14, 16-17, 19, 20-21, 23, and 27 stand rejected under 35 USC 103(a) as being unpatentable over US Patent 6,173,272B1 to Thomas et al. in view of US Patent 6,640,244 to Bowman-Amuah.

#### **General Discussion**

Thomas et al. discloses a solution for using an electronic fund transfer (ACH) to replace a traditional paper check as the form of payment of a bill.

In the business to business field, payment of invoices by paper check remains prevalent because: i) the payer's account's payable system can easily print a paper check so long as the name of the payee and the amount is known; and ii) the check is easily associated with a remittance stub (either printed with the check or associated with a payment stub provided by the biller); and iii) the check can be sent to the biller by knowing only the biller's mailing address.

Use of ACH for payment of invoices in the business to business field is not wide spread. Some of the challenges with using ACH include: i) the payer must know the biller's bank routing number and account number to initiate a payment (and maintain the accuracy of such information in the accounts payable system); and ii) the payer must associate the ACH payment with an invoice without use of a paper remittance stub.

In general Thomas et al. proposes a centralized database of bank routing and account numbers so that a payer can initiate an ACH payment without having to know the payee/biller's bank routing and account number.

The teachings of Thomas et al. are useful based on the following assumptions: i) that all US accounts can be identified by a unique universal identifier (UID) on the order of 6 characters in length; and ii) a trusted third party can maintain a database that associates each UID with a bank routing number and account number needed to send an ACH payment to the account.

Thomas et al. teaches that the payer's bank would maintain a database associating the name, address, and other non-confidential information of the account holder with the UID. The payer's bank would not have access to the confidential routing number and account number which are maintained by the trusted third party.

The payer would generate a typical ACH payment transaction but, without access to the payee's bank routing number and the account number, the payer would instead include the UID in the ACH transaction account number field and a predetermined code (such as all "9"s) in the routing number field. The ACH payment transaction would then be routed to the trusted third party.

The trusted third party would: i) replace the UID and the predetermined code with the payee's confidential bank routing number and account number; and ii) enter the transaction into the ACH network wherein the payment is executed.

Effectively, the system of Thomas et al. is a "conduit" which: i) receives an ACH payment transaction, ii) translates the address of the otherwise standard ACH payment transaction; and iii) forwards the transaction to the ACH payment network.

Thomas further teaches that the system can be used in reverse for delivering bills. A biller can provide an electronic billing transaction (for example a bill in the ASC X12 format) which includes the UID of a consumer's bank account. The trusted third party would: i) replace the UID with the applicable bank routing number and account number of the consumer; and ii) forward the transaction into the network such that the

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X12 transaction can be delivered to the consumer's bank – and presumably delivered by the consumer's bank to the customer. The X12 transaction includes all data needed to generate a remittance transaction to accompany an ACH payment back to the biller.

It must be appreciated that the Thomas et al. system is strictly a “conduit” for address translating and forwarding electronic transactions between the biller and the consumer.

Thomas fails to address the fact that in the business to business invoicing and payment field, the biller is using its own accounts receivables system and the payer is using its own accounting systems with an accounts payable module – which do not have compatibility between the two.

The applicant's invention, is not just a conduit for passing transactions between a biller and a customer, but an automated invoice management system with which both the biller's accounts receivable system and the payer's account's payable system interact to automate the process of invoice presentment, invoice adjustment, and invoice payment – even when the transaction formats between the biller's accounts receivable system and the payer's accounts payable system are incompatible.

More specifically, an automated invoice management system is a database system into which a biller delivers invoices using an invoice file format compatible with the biller's accounts receivables system (P15L12-P19,L6). The data base includes not only the delivered invoices (in a standardized format), but also includes status information (e.g. data related to the invoice dispute, approval, and payment process) which can be entered by either the biller or the payer P71,L5-L23). Further, the database includes biller profile information and payer profile information and systems which use such profile information, in conjunction with a payment authorization by the payer, to generate a remittance transaction that is associated with the invoice transaction (P67,L3-P68,L17).

Both the biller and payer can generate reports from the database such that: i) the invoice data can be retrieved by the payer using file formats compatible with the payers

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AP system (P69L20-P71,L4); and the invoice status within the dispute, approval, and payment process may be monitored by both the biller and the payer (P35,L19-36L19) and P72,L1-L10); and by obtaining a report the includes the remittance transaction, the biller can obtain data related to both the remittance transaction and the associated invoice in a format that automatically posts the reconciliation to the biller's AR system.

### **Claim 1**

Claim 1, as amended is directed to an automated invoice management system for communication with at least one biller system of a biller and at least one payer system of a payer. The automated invoice management system comprises a database, an invoice loader, and an application server.

The database includes: i) invoice data in a standardized data structure, ii) status information related to adjustment, approval, and payment of each invoice represented by the invoice data, iii) biller profile information, and iv) payer profile information relating to said biller system and said payer system respectively and to the business relationship between the biller and the payer, and

The invoice loader: i) receives invoice data from said biller system, ii) translates the invoice data to a standardized data structure, and iii) stores such invoice data in the database.

The application server: i) stores at least one modular business object containing specified instructions to govern financial transactions between said biller system and said payer system based on said global information; ii) executes said business object upon instruction from at least one of the payer system and the biller system to modify at least one of the invoice data and invoice status data in accordance with the specified instructions to govern financial transactions between said biller system and said payer system included within at least one of the biller profile information and the payer profile information; and iii) enables replacement of said business object with another modular business object containing other specified instructions using the same said biller profile

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information and payer profile information to reflect an alteration of the business relationship between the biller and the payer.

Neither Thomas et al., Bowman-Amuah, nor the other art of record teaches a combination of such elements.

### **Claims 8-11, 13, 14, 16, 17, and 19-21**

Each of Claims 8-11, 13, 14, 16, 17, and 19-21 depend from Claim 1 and can be distinguished over Thomas et al., Bowman-Amuah, and the other art of record for at least the same reasons. Further, the limitations recited in each such dependent claim further distinguishes the claimed inventions over Thomas et al., Bowman-Amuah, and the other art of record

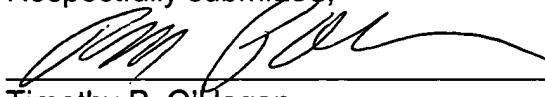
### **III. CONCLUSION.**

In view of the amendments made herein, claims 1, 8-11, 13, 14, 16, 17, and 19-21 are believed to be allowable and the application is believed to be in condition for allowance. A prompt action to such end is earnestly solicited.

Should the examiner feel that a telephone interview would be helpful to facilitate favorable prosecution of the above identified application, the Examiner is invited to contact the undersigned at the telephone number provided below.

Should a petition for an extension of time be necessary for the timely reply to the outstanding Office Action or should additional claim fees be necessary, the Commission is authorized to charge any fees to Deposit Account No 105825.

Respectfully submitted,



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